

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1792 – HB 2196

February 2, 2014

SUMMARY OF BILL: Changes the fine for any person failing to properly stop upon approaching a school bus from a fine not less than \$250 and no more than \$1,000 to a fine of \$300 for a first offense, a fine of \$750 for a second offense, and a fine of \$1,000 for third and subsequent offenses. Authorizes any such offender to elect not to contest the charge and submit the applicable fine in lieu of court appearance. Requires any such violations to be considered moving violations for the purpose of assessing points against the offender's driving record and for suspending the offender's driver license under certain circumstances.

Authorizes any local education agency (LEA) to utilize cameras on the exterior of school buses, or to enter into contracts with a private vendor for providing such cameras, for the purpose of recording images of motor vehicles that fail to stop upon approaching a school bus. Establishes procedures and regulations for participating LEAs and local law enforcement. Allocates any fine revenue derived solely from evidence obtained from any such camera as follows: 75 percent to the applicable LEA (70 percent for defraying costs associated with purchasing, installing, operating, and maintaining the cameras and 5 percent for implementation of the bill), 20 percent to the local law enforcement entity in which the violation occurred to be used for the purpose of school safety, and 5 percent to the state general fund.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$35,900/Recurring

Increase Local Revenue – Exceeds \$681,400/Recurring/Permissive

**Increase Local Expenditures – Exceeds \$1,015,200/One-Time/Permissive
Exceeds \$114,400/Recurring/Permissive**

Assumptions:

- According to the Department of Safety and Homeland Security (DOS), this bill will have no impact upon the Department.
- According to the Department of Education (DOE), there were 11,435 school buses in operation as reported by local education agencies in FY12-13. This number is assumed to remain constant into perpetuity.

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- The cost to an LEA electing to purchase and install cameras on school buses is the same regardless of whether the LEA utilizes a contract vendor to perform the work or the LEA elects to perform the necessary work.
- Based on information provided by DOE, the average cost to purchase and install a camera on a school bus is estimated to be \$800.
- The number of LEAs electing to purchase and install cameras on school buses will be sufficient that at least 10 percent of school buses will have cameras installed as a result of this bill.
- The total number of cameras that will be utilized is estimated to exceed 1,144 (11,435 buses x 1 camera per bus x minimum 10%).
- The total cost to purchase and install cameras on at least 1,144 school buses is estimated to exceed \$915,200 (1,144 buses x \$800). Therefore, the one-time permissive increase in local government expenditures is estimated to exceed \$915,200.
- An additional one-time permissive increase in local government expenditures for local law enforcement to obtain information technology (IT) devices, software, databases, and servers necessary for the storing and processing of video-recorded images. This one-time permissive increase in local government expenditures is reasonably estimated to exceed \$100,000 statewide.
- The total one-time permissive increase in local government expenditures is estimated to exceed \$1,015,200 (\$915,200 for camera and installation costs + \$100,000 for local law enforcement IT costs).
- A minimum of one additional recorded violation per quarter (or a minimum of four per year) derived from each of the newly-installed cameras.
- The minimum number of new violations is estimated to be 4,576 (1,144 buses x 4 annual violations) each year.
- Of the minimum 4,576 newly-recorded violations, 75 percent (or at least 3,432) will be for first offenses; 22 percent (or at least 1,007) will be for second offenses; and 3 percent (or at least 137) will be for third and subsequent offenses.
- Due to the cost of the proposed fines, a collection rate of 50 percent is estimated for the \$300 fine; a collection rate of 25 percent for the \$750 fine; and a collection rate of 10 percent for the \$1,000 fine.
- The increase in fine revenue is estimated to exceed \$717,313 [(3,432 x \$300 fine x 50.0%) + (1,007 x \$750 x 25.0%) + (137 x \$1,000 x 10.0%)].
- Per the provisions of the bill, 75 percent of fine revenue derived from violations recorded by the newly-installed cameras will be allocated to LEAs; 20 percent will be allocated to local law enforcement agencies; and 5 percent will be allocated to the state General Fund.
- The recurring and permissive increase in local government revenue allocated to LEAs is estimated to exceed \$537,985 (\$717,313 x 75.0%); and allocated to local law enforcement is estimated to exceed \$143,463 (\$717,313 x 20.0%). As a result, the total increase in local government revenue is estimated to exceed \$681,448 (\$537,985 + \$143,463)
- The recurring increase in state revenue to the General Fund is estimated to exceed \$35,866 (\$717,313 x 5.0%).

- Based on information provided by DOS, and given the fines proposed under this bill are within the range of potential fines codified under current law, any increase in fine revenue from non-camera violations is estimated to be not significant.
- There will be a recurring and permissive increase in local government expenditures for LEAs to download and transmit (once every 24 hours) recorded images via electronic means to appropriate law enforcement entities; for local law enforcement to receive, collect, store, review, and process submitted electronic evidence from the installed cameras; for local law enforcement to make determinations as to whether a violation has occurred; for sending out first and subsequent notices to any violators; for the collection of new fines paid; for managing delinquent fines; for additional court cases; for monthly reporting of information to DOE; and for administering and managing contractual agreements between LEAs and private school bus owners, and for maintenance contracts (if a private vendor was utilized for installing the cameras). It is reasonably estimated that the additional requirements (for any adopting local government) will create a cost equivalent to at least \$25.00 for each new violation. Therefore, the permissive and recurring increase in local government expenditures is reasonably estimated to exceed \$114,400 statewide (4,576 violations x \$25.00 minimum).
- Any increase in state expenditures for DOE, in consultation with DOS, to prepare and distribute copies of a required annual report to the General Assembly is estimated to be not significant.
- Based on information provided by the Department of Revenue, there will be no state or local sales tax revenue collected on the purchase of the cameras. The cameras will either be purchased by local education agencies directly, or the cameras would be purchased by a vendor for resale to a tax exempt entity, both of which would be tax exempt pursuant to Tenn. Code Ann. § 67-6-329(a)(4).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/rnc